



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

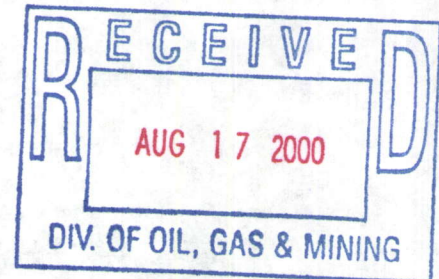
S/039/001

Michael O. Leavitt
Governor

David T. Terry
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

August 14, 2000



Peak Minerals - Azomite, Inc.
607 S. Highway 165
Suite # 8
Branson, MO 65616

Re: Notice of Intent to Commence Small Mining Operations, Metalliferous Minerals Lease
ML 47663 and Volcanic Materials Lease ML 47662. DOGM File # S/039/001

Dear Lessee:

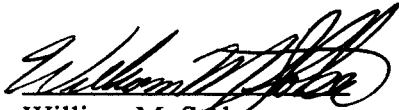
On August 10, 2000, Mr. George Young of the Law Office of Pruitt, Gushee & Bachtell hand delivered to the School and Institutional Trust Lands Administration ("Trust Lands Administration") an amended notice of intent to Commence small mining ("NOI"), dated August 3, 2000, which includes plans to commence mining on the above referenced Utah State mineral leases. The referenced leases encompass the same lands in Lots 2, 3, 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, T. 16 S., R. 1 W., SLB&M. Currently these same lands are also held under Clay lease ML 40880 by Organite, Inc.

Article XXII of lease agreements ML 47662 and ML 47663 stipulate that so long as State of Utah Clay lease ML 40880 is in effect, LESSEE (Peak Minerals-Azomite, Inc.) shall not interfere with the mineral exploration, mining, development or reclamation operations of the Lessee under ML 40880 and will not extract from the lands leased under ML 40880, any of the substances or closely associated minerals which are leased under said lease. Under the Article XXII stipulation the Trust Lands Administration will not grant approval to commence mining on the referenced leases without written consent of Organite, Inc., the current record title interest owner of ML 40880.

Enclosed is a copy of the information required by the Trust Lands Administration when submitting a notice of intent to commence mining on trust lands. Much of the information required by the Trust Lands Administration is the same as that required by the Division of Oil Gas and Mining ("DOGM") however, as the administrator of trust lands our agency does require additional information. Please note on page two (2), under the paragraph titled ACCESS, the Trust Lands Administration requires evidence of notification to all other lessees having a legal interest in the affected lands. In the future when submitting an NOI please include all applicable information as required by the Trust Lands Administration. The NOI must be signed by the lessee of record or if submitted by a designated operator the lessee must submit documentation that the signatory has been designated the operator, or is acting on behalf of the lessee.

If you have any questions please feel free to contact me at (801) 538-5153

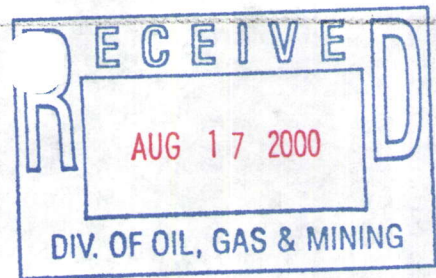
Sincerely,

A handwritten signature in black ink, appearing to read 'William M. Stokes', written over a horizontal line.

William M. Stokes
Minerals Resource Specialist

Enclosures

cc: Lynn Kunzler, DOGM
George S. Young, Pruitt, Gushee & Bachtell



Revised JUN/00

**SITLA INSTRUCTIONS FOR SUBMITTING NOTICE OF INTENT
TO COMMENCE MINERAL OPERATIONS UPON STATE TRUST LANDS**

At least 60 days prior to the commencement of mineral exploration, mining or reclamation operations upon state trust lands the mineral lessee or permittee (applicant) must submit a written plan of operations to the School and Institutional Trust Lands Administration (SITLA), 675 E. 500 So., Suite 500, Salt Lake City, UT 84102. SITLA shall review the plan of operations and either give written approval to commence operations or advise the applicant of further requirements which must be met prior to commencement of operations. Notification to SITLA is required in addition to any notifications required by the Utah Division of Oil, Gas & Mining or any other government agency having jurisdiction. The applicant may not commence any operations upon trust lands until final written approval is given by SITLA. Applicant's written plan of operations submitted to SITLA shall contain but is not limited to the following information.

- 1) SITLA Mineral lease or permit number; legal description of the lands to be explored or mined, to the nearest quarter/quarter section; and, total number of surface acres to be disturbed by the proposed operations.
- 2) Name, address and telephone number of the lessee or permittee, and of all parties designated to operate upon the lands. (A written designation of operator signed by the lessee or permittee of record must be submitted to SITLA for each operator or contractor authorized by the lessee or permittee to enter or conduct operations upon the lands.)
- 3) A description of the environment and of the ore body to be explored or mined, including:
 - A) Location and description of rights of ways, pipelines, utility lines, fences, and buildings upon the lands.
 - B) Location and description of stream channels and water bodies which may be impacted by operations.
 - C) Description of soils and a description of vegetation types and coverages which may be impacted.
 - D) A description of the general geology, i.e. structural features, stratigraphic units and minerals targets.
- 4) A description of proposed drilling or mining methods and operations.
 - A) Location, width, length and surfacing of access roads to be used, constructed or improved.
 - B) Location, diameter and depth of all bore holes and core holes proposed for drilling.
 - C) Location, layout and approximate dimensions of all proposed cuts, trenches, pits and tunnels.
 - D) Depth of overburden covering ore bodies and plan for storing and disposing of overburden materials.
 - E) Description of any toxic substances to be used on-site, and a plan for safe storage and disposal.
 - F) Plan for handling, storing, measuring and weighing the leased substances which are mined.
- 5) A description of ore reserves and markets.
 - A) Estimate of ore reserves tonnages (please classify as assured, probable, indicated or potential.)
 - B) Quality of ore reserves (physical, chemical, mechanical properties; oz. per ton ; % composition; etc.)
 - C) Description of potential uses, markets and actual sales contracts for the commodities to be mined.
 - D) Average market value, and actual contract sales prices, per unit (oz., lb., ton, etc.)
- 6) Maps and reports to be submitted as part of the plan of operations.
 - A) 7.5 Minute topographic map showing all proposed access roads, drill sites and mining sites.
 - B) Site-map at a scale of 50 feet equals one inch showing existing and proposed excavations, materials stockpiles, underground workings, ore processing facilities and waste disposal sites.
 - C) Copy of all geological logs, reports, maps and assays, accessible or in possession by the lessee or permittee, regarding the size, nature, extent and value of the ore body to be explored or mined.

Upon request, any of the above information deemed confidential may be held in Protected Status by SITLA.

Page 2. SITLA INSTRUCTIONS FOR SUBMITTING NOTICE OF INTENT.

RECLAMATION - A plan for reclaiming all disturbances proposed by the applicant must also be submitted. The reclamation plan shall include a commitment by the mineral lessee or permittee to perform the following work concurrent with or at the conclusion of mineral exploration and mining operations.

- A) Keep the exploration/mining operations site in a safe, clean and environmentally stable condition.
- B) Plug all bore holes in accordance with rules of the Utah Division of Oil, Gas & Mining.
- C) Remove of all trash, debris, toxic materials, equipment and appurtenant structures.
- D) Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
- E) Fill all cuts, pits, and trenches and eliminate or mitigate danger from mining high-walls.
- F) Re-grade and contour all stockpiles of earth materials and all areas of surface disturbance.
- G) In the event of surface mining, re-graded all cuts and pits to a slope of not less than 2H:1V.
- H) Re-establish and stabilize natural drainages and construct berms as needed to prevent surface erosion.
- I) Redistribute topsoil and properly prepare seed-bed by to a depth of six inches by ripping or discing
- J) Re-seed disturbed areas with an adaptable species mixture at a concentration of not less than 20 lbs/ac.
- K) Reclaim all access roads which are not authorized by the Trust Lands Administration to remain.

ACCESS - The lessee or permittee must notify all surface owners and all other trust land lessees having a legal interest in the affected trust lands and must, without expense to the Trust Lands Administration or the State of Utah, resolve any problems of access or tenancy prior to the commencement of mineral exploration or mining operations upon the lands.

OTHER AGENCIES - The lessee or permittee must meet all notification and permitting requirements or rules of the Utah Division of Oil, Gas & Mining, the Utah Department of Environmental Health, the Utah State Historic Preservation Office and all other government agencies having jurisdiction over minerals activities which may affect natural of cultural resources.

CULTURAL RESOURCES - A cultural resources survey of the trust lands to be impacted by mineral exploration or mining may be required at the sole expense of the lessee or permittee. Cultural resource surveys must be performed by individuals deemed by the Trust Lands Administration as qualified to perform the work.

BONDING - Prior to the commencement of any mineral exploration of mining operations upon trust lands the lessee or permittee may be required to post a bond with the Trust Lands Administration. The bond shall be in such form and amount as determined by the Trust Lands Administration to protect the assets and interest of the trust and the State of Utah and shall be conditioned upon compliance by the lessee or permittee with all the terms and conditions of the lease or permit, including reclamation of mined land disturbances and payment of royalties.